



# Mid-Term Business Plan

Fiscal Year 2015 - 2017

**Visual Technology Company**

**“10 / 15 / 150”**

- I . Review: 4th Mid-Term Plan  
Fiscal Year 2012 - 2014
- II . Direction: Current Mid-Term Plan  
Fiscal Year 2015 - 2017
- III . Business Strategy by Segment
- IV . Return to Shareholders

**Disclaimer Regarding Forward-looking Statements**

Any statements in this document, other than those of historical fact, are forward-looking statements about the future performance of EIZO and its group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.

**Notation of fiscal years**

"17F" appearing in this presentation means "Fiscal year 2017", that is Fiscal year ended Mar. 31, 2018.

# I -1. Review: 4th Mid-Term Plan

## 1. Global Network

- EU**
- Successfully transitioned from exclusive distributors to EIZO companies for a direct sales & supply model resulting in:
    - Strategic sales & marketing
    - Direct market communication
    - Investment for future market development
- US**
- Increased business in vertical markets
    - Medical - Built strong partnership with top market players
    - Graphics- Strengthened the business for the Media & Entertainment (M&E) markets
- China**
- Solid operation, achieved profitability

# I -2. Review: 4th Mid-Term Plan

## 2. Be No.1 in vertical markets

- ❑ Medical - Launched Operating Room (OR) solutions business
- ❑ Graphics - Strengthened the business for the M&E markets
- ❑ ATC - Obtained 30% market share
- ❑ Industrial - Diversified markets

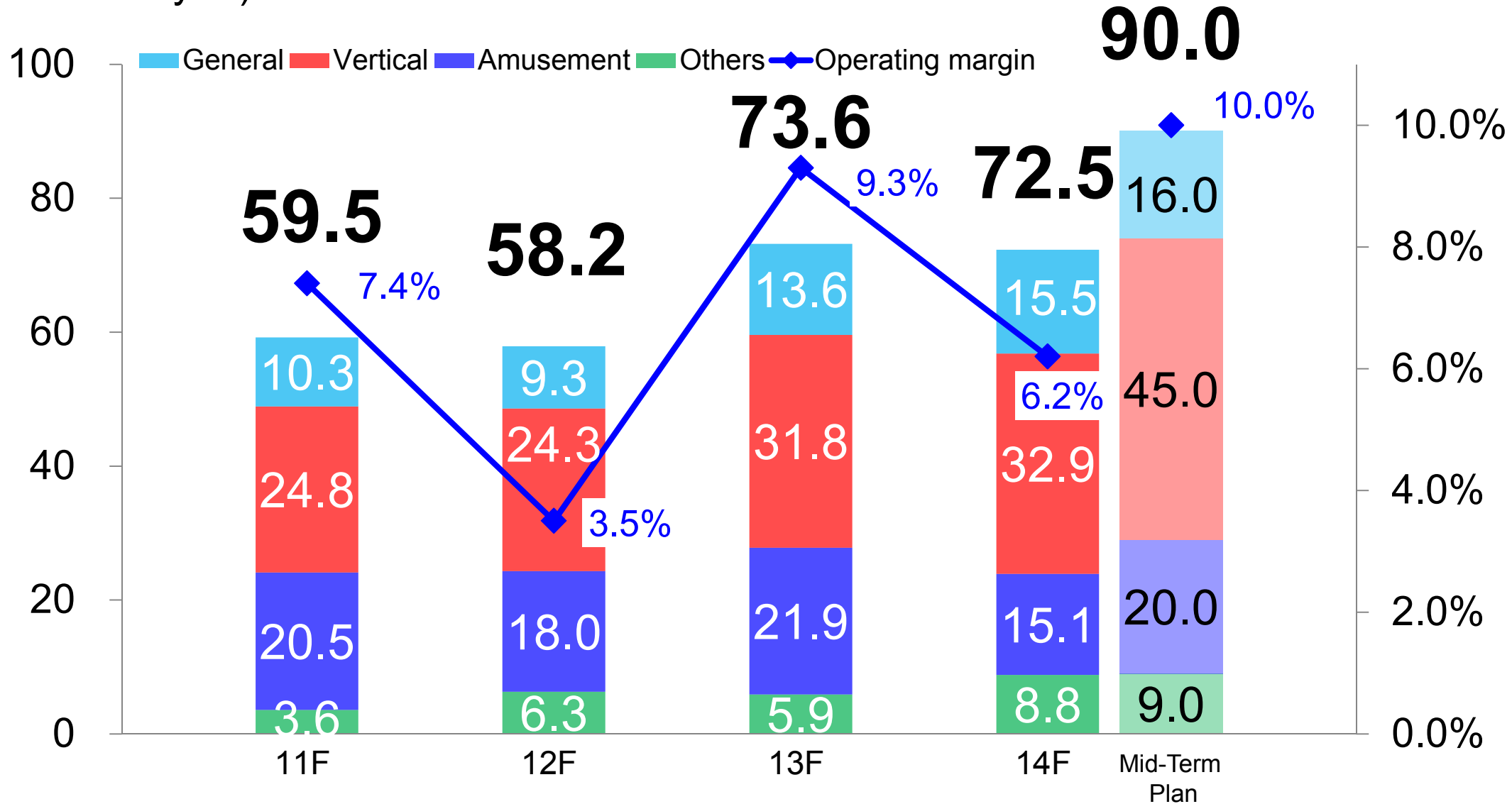
## 3. Maintained No.1 in amusement monitors

- ❑ Maintained No.1 market share on an installed machine basis
- ❑ Strengthened product development
- ❑ Sales decreased more than forecasted due to market shrinkage

# I -3. Review: 4th Mid-Term Plan

(Billions of yen)

Sales, Operating margin



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## II -1. Targets of Mid-Term Plan

**“ 10 / 15 / 150 ”**

□ Operating margin **10%**

□ By growth in vertical markets,  
amusement monitors to total revenue of **15%**

□ Sales growth in vertical markets

**+JPY150 Oku = 15 Billion**

# II -2. Key Objectives of Mid-Term Plan

## Key Objectives

- B&P (General) - Rename as B&P (Business & Plus)
- Vertical
  - Medical - Diagnostics: Become No.1 worldwide  
Reinforce strategic markets of growth potential:  
US, China, India and Middle East
  - OR: Drive OR solutions business worldwide
  - Graphics - Become No.1 in the M&E markets
  - Industrial - Focus on ATC, Maritime, Railways,  
Security & Surveillance and Factory Automation (FA)



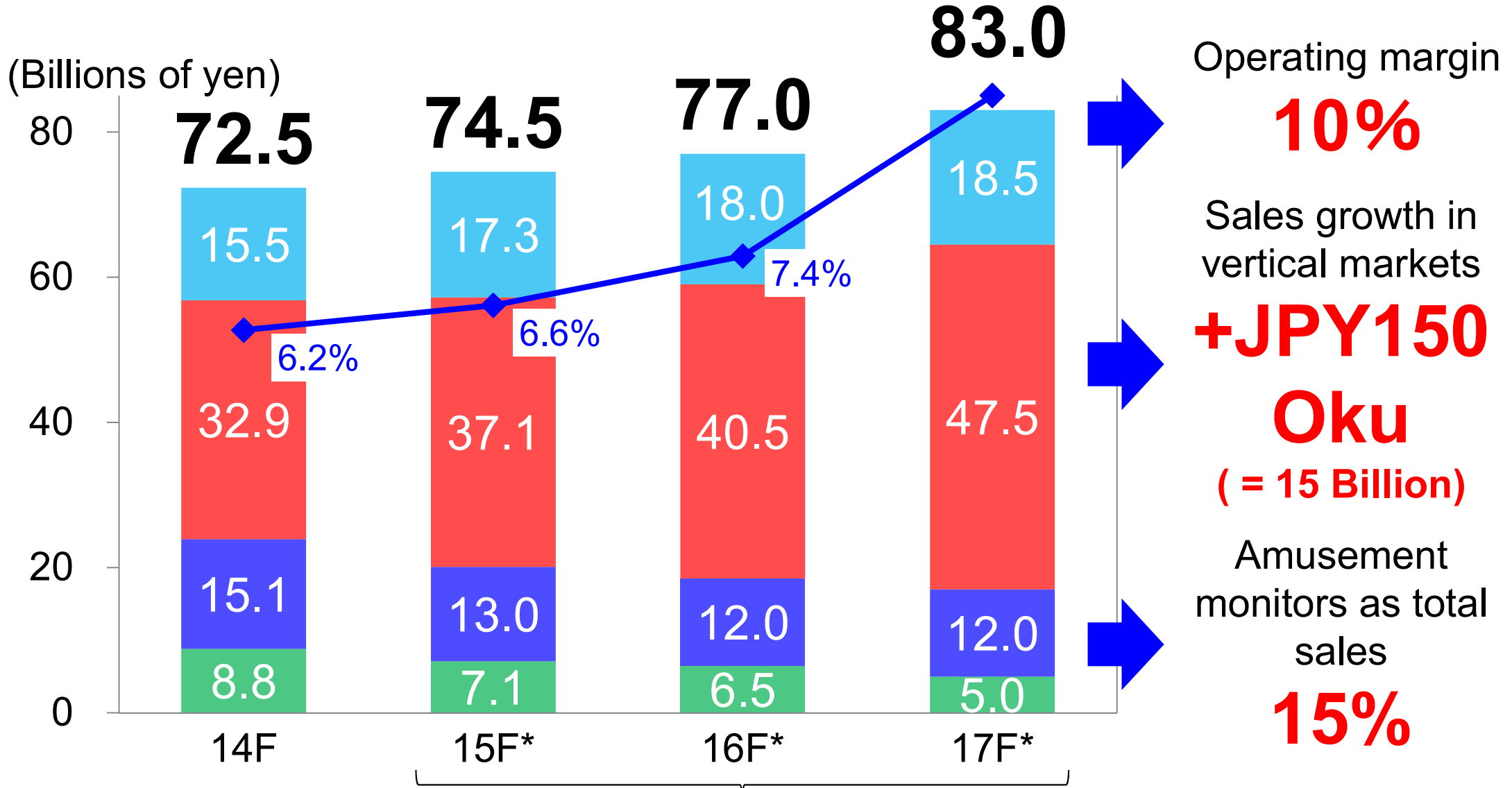
# II -3. Key Objectives of Mid-Term Plan

## Key Objectives

- Amusement
  - More efficient and effective R&D
  - Retain No.1 position
- Leaner operation through renovation of workflow

# II -4. Goals: Sales and Operating margin

■ B&P 
 ■ Vertical 
 ■ Amusement 
 ■ Others 
 ◆ Operating margin



Operating margin

**10%**

Sales growth in vertical markets

**+JPY150**

**Oku**

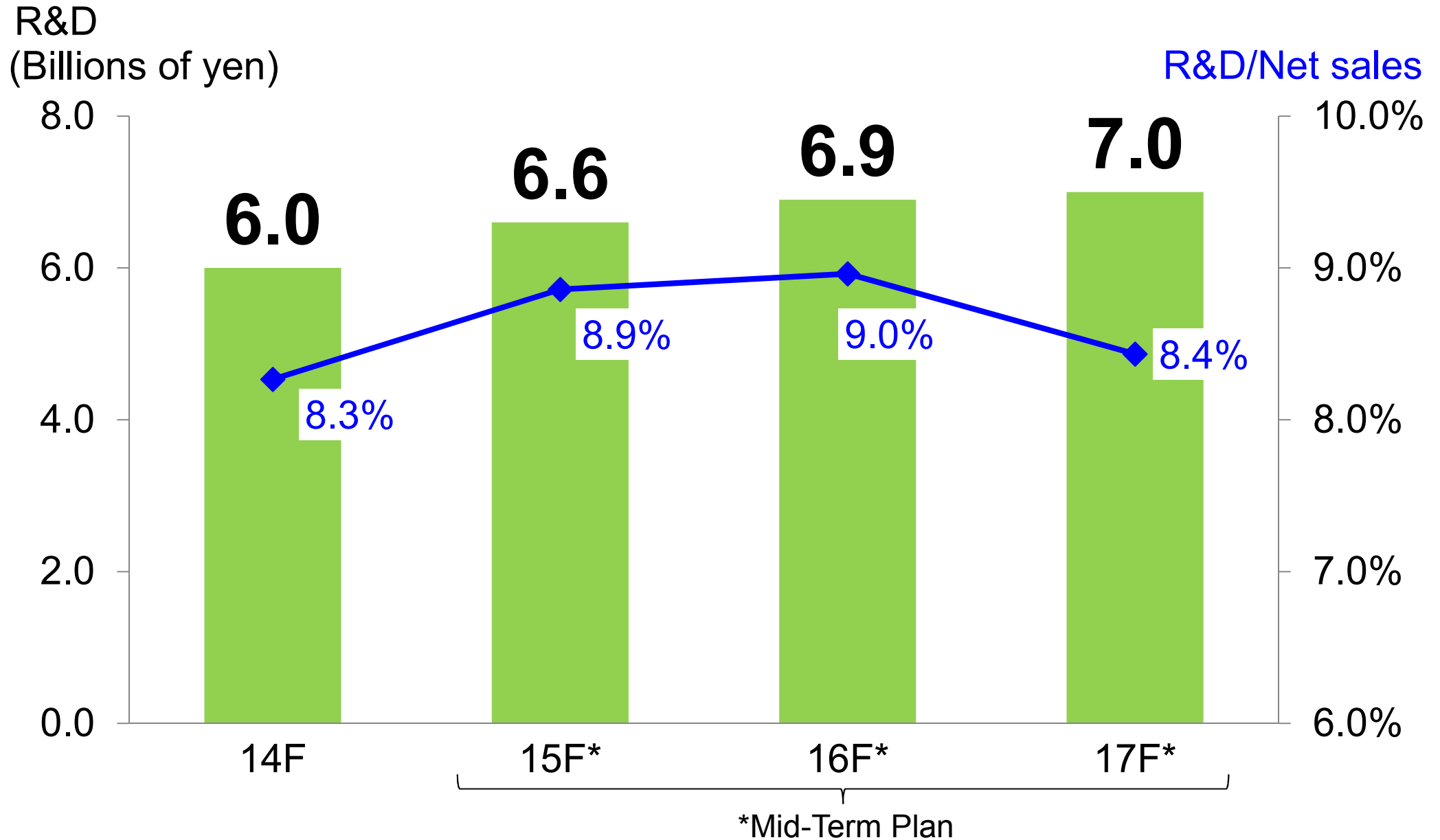
(= 15 Billion)

Amusement monitors as total sales

**15%**

\*Mid-Term Plan

# II-5. R&D

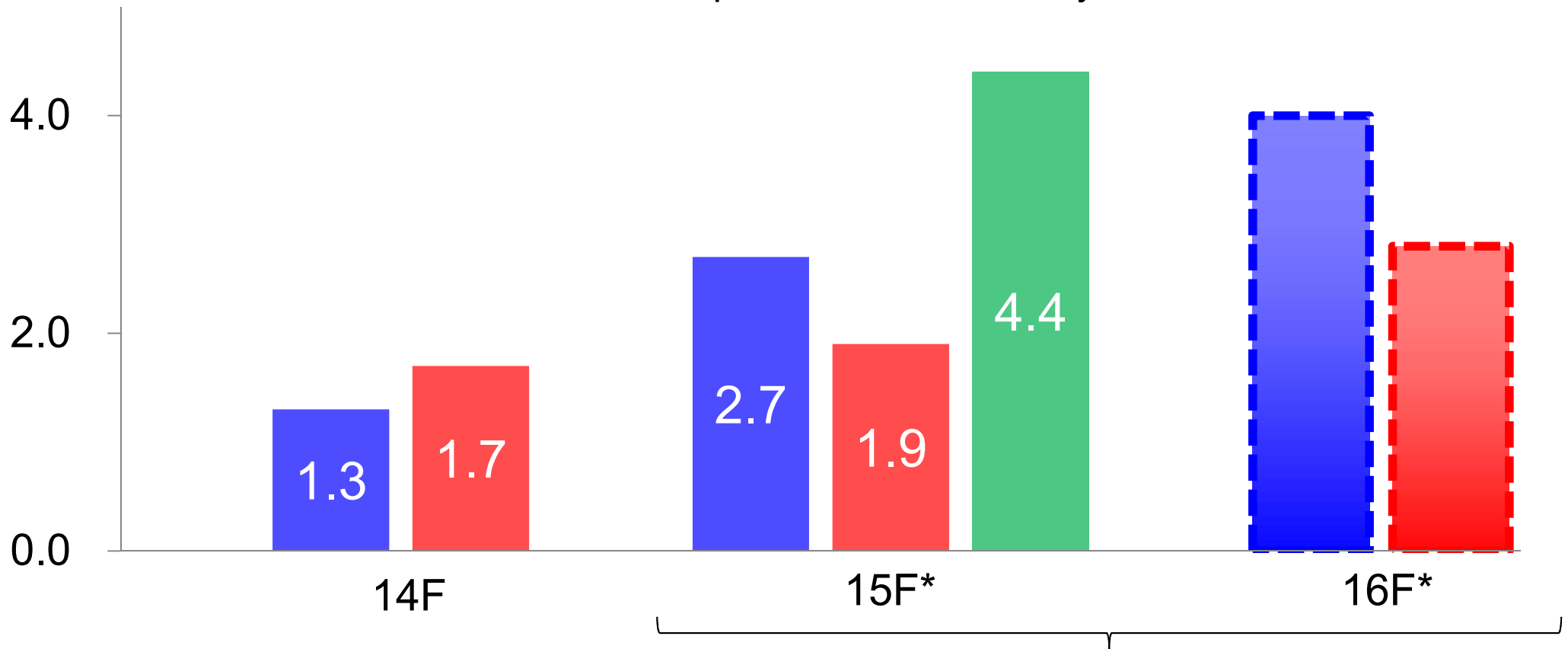


# II -6. CAPEX

□ 15F - Build new factory to increase capacity for business growth

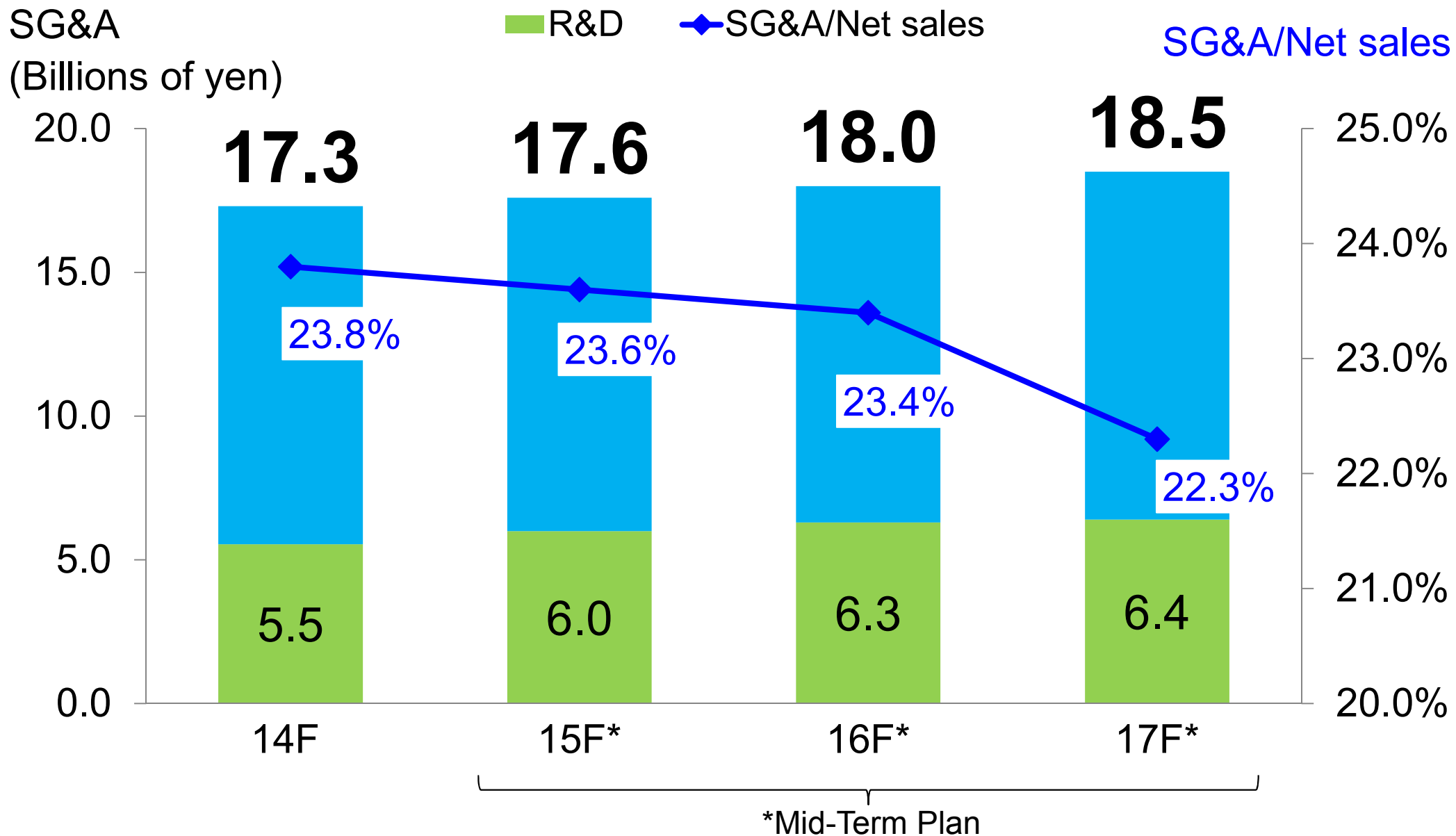
(Billions of yen)

■ CAPEX ■ Depreciation ■ Factory



\*Mid-Term Plan

# II -7. Selling, General and Administrative Expenses

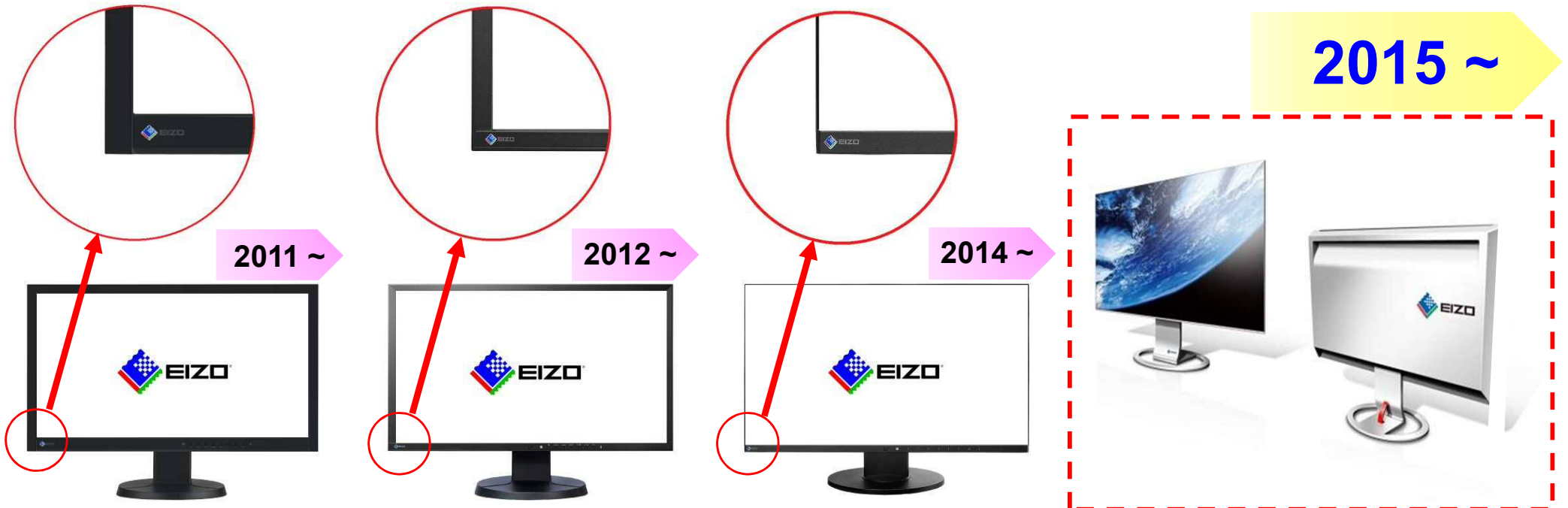


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# III-1. Business & Plus (B&P)

## A style that embraces minimalism

- Thinner, lighter designs coupled with EIZO's own cutting-edge technologies provide unrivaled value



## III-2. Medical

### Further expanding the business from diagnostics to the operating room

#### □ Diagnostics

- R&D for more efficient diagnostics workflow
- Priority markets: Japan, Europe
- Strategic markets: US, China, India, Middle East

#### □ Operating Room

- Launch Surgical Panel + OR software
- Propose one-stop solutions – from consulting to installation





# III-3. Graphics

## Friendly Color Management for all amateurs and professionals

- ❑ Keep No.1 position in the photography and printing markets
- ❑ Become No.1 in the M&E markets
- ❑ Develop the product for market expansion  
Make color management for all potential users



# III-4. Entertainment

## Differentiation through unrivaled functionality

*ex:*

- Connectivity with smartphones  
— CONNECT
- Collaboration with gaming software developers  
— ENJOY
- Color presets via the cloud  
— SHARE

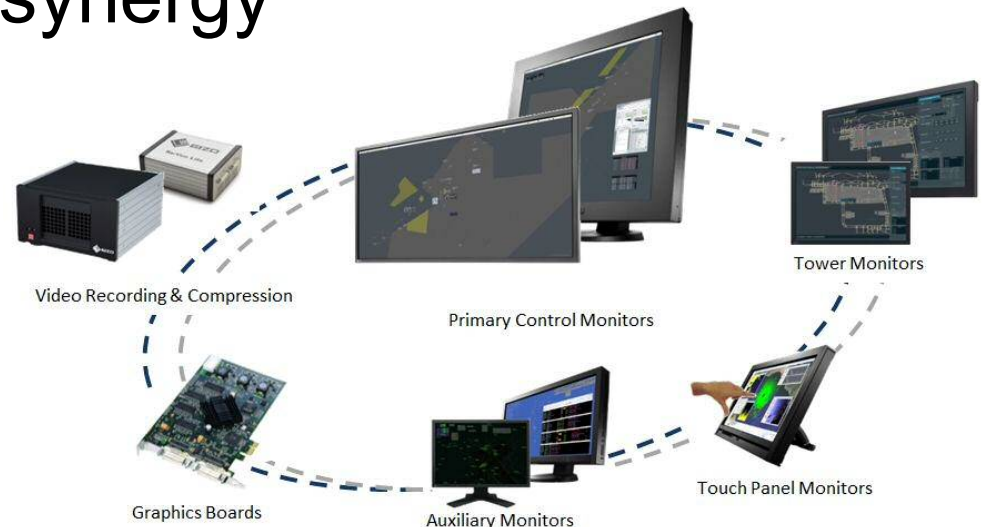


# III-5. Industrial (1/5)

**Comprehensive capabilities (technology, supply, support, and more) form the pillar of EIZO business**

## □ ATC

- Capture No.1 share
- 2K × 2K (primary control monitor)  
+ Auxiliary technologies
- Strength in EIZO product synergy

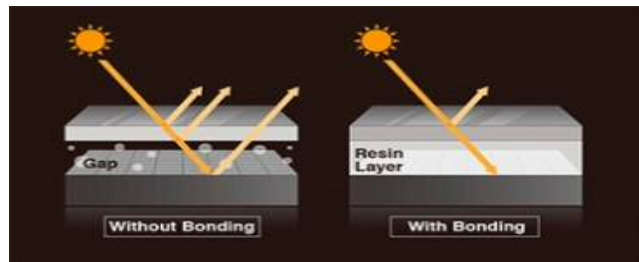


## III-5. Industrial (2/5)

**Comprehensive capabilities (technology, supply, support, and more) form the pillar of EIZO business**

### □ Maritime

- Rich product lineup covers onboard IT and mandatory fitting of ECDIS (Electronic Chart Display Information System)
- Differentiation by state-of-the-art technologies (ex. optical bonding)





## III-5. Industrial (3/5)

**Comprehensive capabilities (technology, supply, support, and more) form the pillar of EIZO business**

### □ Railways

- VIS (Visual Information System)  
EIZO quality and reliability into train cabin
- Platform Surveillance  
Ensure safety by clear visibility and software



## III-5. Industrial (4/5)

**Comprehensive capabilities (technology, supply, support, and more) form the pillar of EIZO business**

### □ Security & Surveillance

- Powerful solutions for any environment
- Innovative solutions for PC-less connection to IP cameras



### □ FA

- Wide product lineup for embedded applications (ex. touch panel, chassis mount)



## III-5. Industrial (5/5)

**Comprehensive capabilities (technology, supply, support, and more) form the pillar of EIZO business**

### □ Develop a new business sector

- Products compliant with Military Standard (U.S. Department of Defense)
- Comprehensive visual technologies (ex. optical bonding, AR film)
- Strengthen product lifecycle management system for long-term projects



## Ⅲ-6. Amusement

**Maintain sales & enhance profitability  
to strengthen business foundation**

- Reactive R&D reorganization
- With unique computer graphics,  
assert No.1 market position
  - Synergy with EIZO ASIC technology
  - Utilize original production tools



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## IV. Return to Shareholders

- Returning profit to shareholders is a key management concern for EIZO Corporation, and we have followed a basic policy of stable dividend payment in line with corporate growth. We return profit to shareholders on the basis of an overall consideration of securing retained profit for capital investments and R&D expenditures required for business expansion, financial status and future performance.
- Our target shareholder return ratio is 40% to 50% of net income, and we strive to strengthen our profit base to ensure we achieve this goal.

**Go beyond  
a monitor company**



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